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E.O. 12958: DECL: 12/24/2034
TAGS: [PARM](#) [PREL](#) [MUNC](#) [IR](#) [CH](#) [UK](#) [AE](#) [GM](#)
SUBJECT: (S) SIEMENS COMPUTERS WILL NOT GO TO IRAN

REF: A. STATE 31434
[B](#). BERLIN 406
[C](#). BERLIN 487
[D](#). BERLIN 1434

Classified By: Acting EMIN Don L. Brown for reasons 1.4 (b) and (d)

[1](#). (S) Summary: The Siemens computers described in reftels remain in the UAE. German MFA officials assure us that all parties are working towards a resolution that will prevent the computers from reaching Iran, although they would not commit to a particular solution or timeline. Disputes about ownership of the computers and what the UAE claims to be a lack of clarity in the applicable UNSCR is slowing the progress of this case. Despite this, German officials anticipate a favorable conclusion to this case. End Summary.

[2](#). (S) According to German MFA officials, the UAE retains possession of Siemens computers interdicted while being shipped from China to Iran. In a series of conversations between December 15-22, German MTCR desk officer Nancy Reck and director of export controls Markus Klinger assured Econoff that the computers are still in the UAE and "are not going anywhere." "It has (finally) dawned on Siemens," they said, "that this is a serious situation. Siemens is aware of the reputational risk associated with this case and does not want it to become a prominent news item." Siemens is working on a "pragmatic solution that will be acceptable to all parties except the Iranians." The GOG, Klinger said, is constantly reminding the UAE of its responsibility under UNSCR 1737 to prevent these goods from reaching Iran.

[3](#). (S) The Germans described a sticking point between Siemens and the UAE about the legal ownership of the computers. When pressed, Reck said that Siemens claims that it is not the owner of the computers. Rather, Siemens is asserting that title passed to the Chinese customer when the computers left the loading dock, per the terms of the shipping documents. (Note: If Siemens shipped the computers "FOB Shipping Point", this argument may have legal merit. Under this shipping term, title to the goods transfers when the goods leave the seller's shipping dock. End Note.) Siemens, Reck explained, fears that if it takes possession of goods it no longer legally owns, it may be liable to the true owner for money damages. The UAE's position, Reck said, is simpler: the boxes say "Siemens", they're yours, take them. Siemens, Klinger said, is working with its customer to solve the ownership question. Neither Klinger nor Reck would commit to whether the computers would be returned to Germany or destroyed in the UAE, or when this might occur.

[4](#). (S) Klinger noted that UNSCR 1737 does not provide guidance to the UAE about what to do with the seized computers. This, he noted, contrasts with UNSCR 1874 which allows UN member states to "seize and dispose of" interdicted prohibited cargoes from the DPRK. The UAE, he said,

considered submitting this matter to local courts for adjudication of ownership and disposition issues, a course he believes would benefit no interested party and is not likely to occur.

15. (S) Reck noted that the British Embassy in Berlin is still very interested in this case. She said she has received calls from Alex McKenzie (First Secretary - Political) and Andrew Noble (Front Office) on this case asking for a meeting before Christmas to discuss this matter.

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